

DIRECT TESTIMONY OF
ANTHONY M. SANDONATO
ON BEHALF OF
THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF
DOCKET NOS. 2022-93-E & 2022-97-E

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.**

2 A. My name is Anthony Sandonato. My business address is 1401 Main Street, Suite
3 900, Columbia, South Carolina, 29201. I am employed by the South Carolina Office of
4 Regulatory Staff (“ORS”) as the Deputy Director of the Energy Planning and Emerging
5 Technology Division.

6 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

7 A. I received my Bachelor of Science in Nuclear Engineering from North Carolina
8 State University in 2011. Prior to my employment with ORS, I was employed as an analyst
9 with a global professional, technology, and marketing service firm working with large
10 investor-owned utilities on energy efficiency program design and implementation. I joined
11 ORS in 2016, and, in December of 2021, I was promoted to my current position in the
12 Energy Planning and Emerging Technology Division.

13 **Q. HAVE YOU TESTIFIED BEFORE THE PUBLIC SERVICE COMMISSION OF**
14 **SOUTH CAROLINA (“COMMISSION”)?**

15 A. Yes. I have previously testified before the Commission.

Q. WHAT IS THE MISSION OF ORS?

A. ORS represents the public interest as defined by the South Carolina General Assembly as:

[T]he concerns of the using and consuming public with respect to public utility services, regardless of the class of customer, and preservation of continued investment in and maintenance of utility facilities so as to provide reliable and high-quality utility services.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to set forth and support ORS's recommendations resulting from the examination and review the Applications ("Applications") of SR Lambert I, LLC ("SR Lambert I") and SR Lambert II, LLC ("SR Lambert II") collectively ("SR Lambert" and collectively the "Companies") for Certificates of Environmental Compatibility and Public convenience and Necessity ("Certificates") filed on March 4, 2022 to each construct separate 100-megawatt ("MW") alternating current ("ac") solar photovoltaic ("PV") projects to be located in Georgetown County ("Solar Facilities").

My review is focused on the basis of the need for the Solar Facilities¹ and whether the Solar Facilities will serve the interests of system economy and reliability.²

Q. WAS THE REVIEW PERFORMED BY YOU OR UNDER YOUR SUPERVISION?

A. Yes, the review to which I testify was performed by me or under my supervision.

Q. PLEASE DISCUSS ORS'S REVIEW OF THE APPLICATIONS.

A. ORS reviewed the Applications, which included copies of the required notifications; direct testimonies of the Companies' witnesses Matthew Kisber, Conner

¹ S.C. Code Ann. § 58-33-160(1)(a)

² S.C. Code Ann. § 58-33-160(1)(d)

Echols, Blair Wade, and Kenneth Sercy; and the supplemental direct testimonies of witnesses Echols and Wade. ORS also reviewed the numerous studies included in the Applications and witness exhibits to ensure compliance with the requirements of the Siting Act. Finally, ORS reviewed additional materials provided by the Companies through discovery and conducted discussions with the Companies' representatives.

Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE PROPOSED SOLAR FACILITIES.

A. SR Lambert I is a 100 MW AC solar PV facility with single-axis tracking capability to be located in Georgetown County, South Carolina. SR Lambert II is a companion facility of the same size and technology, located adjacent to SR Lambert I in Georgetown County, with the same expected commercial operational capacity and timeline.

Q. PLEASE DESCRIBE THE INFORMATION THE SITING ACT REQUIRES IN AN APPLICATION FOR A CERTIFICATE.

A. The Siting Act requires an application to contain a description of the location and the major utility facility(ies) to be built; a summary of any studies that have been made of the environmental impact of the facility(ies); a statement explaining the need for the facility(ies); and such other information as the applicant may consider relevant or as the Commission may require.

Q. PLEASE DISCUSS THE NEED IDENTIFIED BY THE COMPANIES FOR THE PROPOSED FACILITIES.

A. The Companies identified the need for the proposed facilities based on both the South Carolina Public Service Authority's ("Santee Cooper") and Central Electric Power Cooperative, Inc.'s ("Central") integrated resource plans ("IRP"). Santee Cooper's 2020

1 IRP, which was released in December 2020, states that its preferred plan includes 500 MW
2 of new solar generation added to its system by 2023.³ Central's 2020 IRP, filed with the
3 South Carolina Energy Office, determined that 225 MW of solar to its system by 2022 was
4 part of a long-term plan that was lower cost than the alternative plans evaluated by the
5 utility.⁴

6 **Q. DID SANTEE COOPER AND CENTRAL EVALUATE THE ECONOMIC**
7 **IMPACTS OF SOLAR ADDITIONS?**

8 A. Yes. As part of the Santee Cooper Reform Plan submitted to the members of the
9 South Carolina General Assembly on November 25, 2019, nFront Consulting LLC
10 ("nFront Consulting") conducted a Resource Planning Study titled South Carolina Public
11 Service Authority (Santee Cooper) 2019 Resource Planning Study ("2019 Resource
12 Planning Study"). Appendix A of the 2019 Resource Planning Study discussed analytical
13 methods and detailed information pertaining to economic modeling results under reference
14 case and sensitivity case assumptions. The analysis found that including new solar PV
15 generation resulted in savings on a net present value basis compared to the base case where
16 no solar generation was added.⁵

³ Santee Cooper 2020 Integrated Resource Plan p. 3

⁴ Central Electric Power Cooperative, Inc. Integrated Resource Plan 2021-2040 p. 87

⁵ South Carolina Public Service Authority (Santee Cooper) 2019 Resource Planning Study p. 55-56

1 **Q. ARE THE PRICES OF THE EXECUTED POWER PURCHASE AGREEMENTS**
2 **BETWEEN SANTEE COOPER AND SR LAMBERT I AND II AND BETWEEN**
3 **CENTRAL AND SR LAMBERT I AND II CONSISTENT WITH THE**
4 **ASSUMPTIONS USED TO DEVELOP THE SANTEE COOPER AND CENTRAL**
5 **IRPS AND THE RESULTING ESTIMATED SAVINGS?**

6 A. Yes. As described by Witness Sercy, in June of 2020, Santee Cooper issued a
7 request for proposal (“RFP”) for solar energy. SR Lambert I and II were among 425 MW
8 of solar energy projects awarded power purchase agreements (“PPA”) by Santee Cooper
9 and Central as part of the competitive RFP process. The executed power purchase
10 agreements are consistent with the analysis performed by Santee Cooper⁶ and Central⁷ as
11 well as the results of the Summary of Initial Assessment of RFI Submittal performed by
12 nFront Consulting.⁸

13 **Q. DID SANTEE COOPER AND CENTRAL EVALUATE THE IMPACT OF SOLAR**
14 **RESOURCES ON OVERALL SYSTEM RELIABILITY?**

15 A. Yes. Both Santee Cooper⁹ and Central¹⁰ evaluated the addition of solar resources
16 on their respective systems as part of the IRP planning process. Reliability considerations
17 are main tenants of the resource planning process.^{11, 12} The 2019 Resource Planning Study
18 confirmed the evaluated plans incorporated summer and winter reserve margin constraints
19 and then used an hourly chronological dispatch simulation to assess the impact of the

⁶ Santee Cooper 2020 Integrated Resource Plan p. 55

⁷ Central Electric Power Cooperative, Inc. Integrated Resource Plan 2021-2040 p. 71

⁸ Santee Cooper Reform Plan Delivered to the Department of Administration Appendix 8.2.4 Solar RFI p. 2

⁹ Santee Cooper 2020 Integrated Resource Plan p. 69

¹⁰ Central Electric Power Cooperative, Inc. Integrated Resource Plan 2021-2040 p. 78

¹¹ Santee Cooper 2020 Integrated Resource Plan p. 69

¹² Central Electric Power Cooperative, Inc. Integrated Resource Plan 2021-2040 p. 64

resources on the system's ability to maintain reliability. The 2019 Resource Planning Study evaluated the reference case and each of the coal retirement scenarios to meet the total load obligations of Santee Cooper.¹³

Central's 2020 IRP used the same reserve margin constraints and a sensitivity case analysis that utilizes hourly regional generation dispatch to confirm reliability.

Q. PLEASE DISCUSS THE CHANGES TO S.C. CODE ANN. § 58-33-110 INCLUDED IN THE SC ENERGY FREEDOM ACT.

A. The SC Energy Freedom Act, or Act 62, added an additional section, 58-33-110(8) to the Siting Act, which provides:

- (a) Notwithstanding the provisions of item (7), and not limiting the provisions above, a person may not commence construction of a major utility facility for generation in the State of South Carolina without first having made a demonstration that the facility to be built has been compared to other generation options in terms of cost, reliability, and any other regulatory implications deemed legally or reasonably necessary for consideration by the commission. The commission is authorized to adopt rules for such evaluation of other generation options.
- (b) The commission may, upon a showing of a need, require a commission-approved process that includes:
 - (i) the assessment of an unbiased independent evaluator retained by the Office of Regulatory Staff as to reasonableness of any certificate sought under this section for new generation;
 - (ii) a report from the independent evaluator to the commission regarding the transparency, completeness, and integrity of bidding processes, if any;
 - (iii) a reasonable period for interested parties to review and comment on proposed requests for proposals, bid instructions, and bid evaluation criteria, if any, prior to finalization and issuance, subject to any trade secrets that could hamper future negotiations; however, the independent evaluator may access all such information;
 - (iv) independent evaluator access and review of final bid evaluation criteria and pricing information for any and all projects to be

¹³ South Carolina Public Service Authority (Santee Cooper) 2019 Resource Planning Study p. 54

evaluated in comparison to the request for proposal bids received;

(v) access through discovery, subject to appropriate confidentiality, attorney-client privilege or trade secret restrictions, for parties to this proceeding to documents developed in preparing the certificate of public convenience and necessity application;

(vi) a demonstration that the facility is consistent with an integrated resource plan approved by the commission; and

(vii) treatment of utility affiliates in the same manner as nonaffiliates participating in the request for proposal process.

The assessment of an independent evaluator has not been requested and is therefore not included in the ORS Review.

Q. DOES ORS OBJECT TO THE SOLAR PROJECTS PROPOSED BY THE COMPANIES?

A. No. Based on the information provided by the Companies, ORS concluded the projects can serve the interests of system economy and reliability and, as further addressed by ORS witness Michael Seaman-Huynh, will not have a significant impact on the environment.

Q. WILL YOU UPDATE YOUR DIRECT TESTIMONY BASED ON INFORMATION THAT BECOMES AVAILABLE?

A. Yes. ORS fully reserves the right to revise its recommendations via supplemental testimony should new information not previously provided by the Company, or other sources, becomes available.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.